GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5955
ANSWERED ON:02.05.2003
INVOLVEMENT OF FOREIGN COMPANIES IN INDIA`S EXPORT
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a number of foreign companies have entered in the industry and trade sector of the country;

(b) if so, whether as a result of this, the export from the country has increased;

(c) if so, the extent of contribution made by the companies in the said increase;

(d) whether any assessment has been made or proposed to be made in regard to benefit accrued due to entry of foreign companies in India;

(e) if so, the details thereof; and

(f) the details of foreign exchange earned therefrom?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) Yes, Sir.

(b) to (f) While contribution of Foreign Direct Investment to exports as a whole is not monitored, Foreign Direct Investment supplements domestic efforts by providing additional capital alongwith foreign technology, best management practices and market access among other things. Based on secondary information, it is seen that FDI has led to significant increase in exports in sectors such as automobiles and automotive components, electronics, etc.